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R 120749 AUG 74 FM AMEMBASSY SEOUL TO RUEHC/SECSTATE WASHDC 5335 RUEKJOS/SECDEF WASHDO INFO RUHGHQA/CINCPAC RUDKBT/AMEMBASSY RABAT 26 81 S E C R E T SEOUL 5260 JOINT EMBASSY/COMUSK MESSAGE E.O. 11652: GDS TAGS! MASS, KS, MO SUBJECT: SALE OF KOREAN MANUFACTURED M-16 RIFLES TO MOROCCO 1. EMBASSY AND COMUSK HAVE CONSIDERED VARIOUS LOCAL FACTORS INVOLVED IN ROKG'S REQUEST FOR PERMISSION TO SELL 1500 KOREAN MANUFACTURED M-16 RIFLES TO MOROCCO AND ON BALANCE BELIEVE THAT WE SHOULD NOT MAKE EXCEPTION TO POLICY IN THIS CASE. 2. FROM STRICTLY MILITARY POINT OF VIEW QUANTITY OF RIFLES PROPOSED FOR SALE APPROXIMATES THREE DAYS! PRODUCTION AND IS INSIGNIFICANT. AS A PRACTICAL MATTER IT SHOULD BE RECOGNIZED THAT THE LOSS IN PRODUCTION COULD BE MADE UP BY USE OF A FEW OVERTIME HOURS. ACCORDINGLY, WE HAVE NO OBJECTION ON MILITARY GROUNDS. 3. IN FAVOR OF SALE ARE THE ECONOMIC AND MORE IMPORTANT FOREIGN POLICY ADVANTAGES WHICH WOULD ACCRUE TO ROKG. ROKS HAVE BEEN HARD PRESSED TO FIND MEANS TO COUNTER SUCCESSFUL NORTH KOREAN DIPLOMATIC OFFENSIVE IN NORTH AFRICA WHICH HAS BEEN SUBSTANTIALLY ASSISTED BY LARGE MILITARY EQUIPMENT SALES, ASIDE FROM TUNISIA, MOROCCO IS ONLY CLOSE FRIEND ROKS HAVE IN THIS AREA AND M-16 SALE WOULD UNDOUBTEDLY BE USEFUL IN STRENGTHENING SOUTH!KOREA-MOROCCO RELATIONS, ON THE OTHER HAND, WE BELIEVE REFUSAL TO ALLOW SALE WOULD NOT REPRESENT SETBACK TO ROK RELATIONS WITH MOROCCO AND ROK DIPLOMACY, RATHER IT WOULD BE IN NATURE OF LOST OPPORTUNITY. 4. ASIDE FROM POSSIBLE COMMERCIAL LOSS TO IS MANUFACTURER, PRINCIPAL COUNTERBALANCING POINT IN OUR VIEW IS THAT THIRD COUNTRY M-16 SALE AT THIS TIME PRIOR TO FULFILLMENT ROKS OWN REAL NEEDS FOR M-16S WOULD INTERFERE WITH ESTABLISHED FRICRITIES AND SET BAD PRECEDENT. WE WOULD SECRET

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BE ALLOWING ROKS TO DIVERT EQUIPMENT MANUFACTURED IN U.S. FINANCED PLANT FROM ITS IMPORTANT AND PRIME PURPOSE. THIS WOULD SET PRECEDENT FOR ROKS TO MAKE M-16 (AND OTHER EQUIPMENT SALES) ELSEWHERE BEFORE THEY HAVE FULFILLED THEIR OWN NEEDS AND OBJECTIVES OF MODERNIZATION PROGRAM.

5. SINCE SALE NOT ESSENTIAL TO ACHIEVING ROK DIPLOMATIC OBJECTIVES IN MIDDLE EAST, AND SINCE IT DOES NOT ACCORD WITH US INTEREST IN FULFILLING KOREAN MODERNIZATION PROGRAM, EMBASSY/COMUSK OPPOSE EXCEPTION TO THIRD COUNTRY SALES RESTRICTIONS IN THIS CASE. HABIB